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House of Representatives

THE MEDICARE BILL: BAD MEDICINE FOR OUR SENIORS

HON. BOB FILNER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

MR. FILNER: Mr. Speaker, I rise today to say shame on this body for passing this reprehensible Medicare bill that has been rammed through Congress today by the Republican leadership.

This legislation does nothing that its supporters claim it does. They claim that this bill will help seniors with their prescription drug costs and give them more choices in their healthcare. But actually, this bill does none of that. It does not provide a comprehensive, affordable or reliable prescription drug benefit. Further, it unravels the consistent, guaranteed healthcare coverage that seniors have come to expect under Medicare. This bill is so bad, that even some Republicans refused to support it. Opponents of this terrible legislation see through the smoke and mirrors that supporters are putting up and realize that this bill was not about helping seniors pay for their prescription drugs or giving them access to better care,

but that this bill was actually about helping the bottom lines of private insurance companies, HMOs and the pharmaceutical companies.

There are many, many bad provisions in this legislation, and I would like to highlight some of the worst of them here.

One: Under this bill, Medicare as we know it is completely unraveled. First, Medicare Part B will be forced to compete with private managed care plans. This leaves the health of our seniors to the whims of private insurance companies and does not guarantee that all seniors will be receiving the same benefits across the country. That means seniors in my District in San Diego, CA, might have better coverage than seniors in New York. Or seniors in New York might have better coverage than those in San Diego--we just don't know--it's completely up to the private insurance companies and HMOs to decide how much coverage they want to

(over)

provide. Not only is the amount of coverage going to vary, but so are the costs of the premiums. Again, that means seniors in San Diego might pay more than seniors in New York--or vice versa--depending on how much the private insurance companies and the HMOs decide they want to charge!

Secondly, this bill would institute a "means test." In layman's terms, that means that in 2007, the Medicare part B premium would be linked to income. This not only goes against the main tenet of Medicare--which grants coverage to everyone, regardless of income--but also, higher premiums create an incentive for healthier seniors to leave Medicare. This would leave only the sickest seniors in Medicare and drive up premiums even more.

Two: The so-called prescription drug "benefit" is absolutely inadequate and actually decreases coverage for some seniors and can cost them more than they're paying right now. Supporters of this bill claim that the prescription drug benefit will help seniors cover the costs of their medications. However, there are so many problems with this benefit that it's hard to decide where to begin. First of all, this benefit does not even kick in until 2006. When it finally does begin, seniors are expected to pay a high deductible. Then, there is a piece de resistance of this so-called benefit: there is a big hole in coverage. Rather than providing continuous coverage throughout the year, this bill has a \$2,850 coverage gap in

which seniors don't receive any coverage at all. Half of America's seniors fall into this hole. The icing on the cake is that despite the fact that they would not be receiving coverage for part of the year, they are still expected to continue to pay the premiums.

Additionally, more than 2 million retirees, who currently have drug coverage through their former employers, will lose that coverage. Because drug costs keep rising and this bill has no measures to keep drug costs low, it is very tempting for employers to simply drop their coverage and force seniors onto this inadequate drug coverage plan. Furthermore, rather than having Medicare kick in when a retiree reaches catastrophic coverage, this bill forces the employer-provided benefits to cover those costs--yet another reason for employers to pull their coverage.

Three: This bill explicitly prohibits the government from negotiating with drug companies for lower drug prices. One of the greatest strengths of a prescription drug plan under Medicare is that it could reduce drug prices for participants using the large number of participants in the Medicare program to bargain with pharmaceutical companies for better prices on their products. Yet this bill denies Medicare participants those lower costs, ensuring continued skyrocketing prescription drug prices.

It is for those reasons--and many many more--that I could not support this poison pill for Medicare and a placebo of a prescription drug benefit.